

DEPOSITION OF JOHN LEE
CONDUCTED ON THURSDAY, JUNE 19, 2003

1 (Pages 1 to 4)

1	3
1 IN THE UNITED STATES DISTRICT COURT	1 A P P E A R A N C E S
2 FOR THE DISTRICT OF MARYLAND	2 ON BEHALF OF THE PLAINTIFFS:
3 -----x	3 DEBORAH J. WESTERVELT, ESQUIRE
4 MICHAEL HACKLEY, et al.,	4 Law Office of Royal W. Craig
5 Plaintiffs	5 Suite 153
6 v. Case No. JFM 02CV3363	6 10 North Calvert Street
7 L.V.L.X, INC., et al.,	7 Baltimore, Maryland 21201
8 Defendants :	8 (410) 385-2383
9 -----x	9
10 Deposition of JOHN LEE	10 ON BEHALF OF THE DEFENDANTS:
11 Baltimore, Maryland	11 CHRIS JOHNS, ESQUIRE
12 Thursday, June 19, 2003	12 18961 Highstream Drive
13 10:00 a.m.	13 Germantown, Maryland 20874
14	14 (301) 674 6900
15 Job No. 5-18229	15
16 Pages 1-203	16
17 Reported by: Steven Levine	17
18	18
19	19
20	20
21	21
22	22
2	4
1 Deposition of JOHN LEE,	1 C O N T E N T S
2 held in the offices of:	2 EXAMINATION OF JOHN LEE PAGE
3	3 By Ms. Westervelt 7, 199
4 L.A.D. REPORTING COMPANY	4 By Mr. Johns 199, 200
5 Suite 141	5
6 10 North Calvert Street	6 E X H I B I T S
7 Baltimore, Maryland 21202	7 (Attached to the deposition transcript.)
8 (410) 539-0113	8 NUMBER PAGE
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10 Pursuant to notice, before	10 2 Answers to Interrogatories 97
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5 (Pages 17 to 20)

17	<p>1 sold clothing.</p> <p>2 BY MS. WESTERVELT:</p> <p>3 Q I'm sorry, LVLX sells clothing. In what</p> <p>4 fashion, how is clothing sold? Through catalogs,</p> <p>5 through retail stores, through -- how does LVLX sell</p> <p>6 clothing?</p> <p>7 A Retail stores.</p> <p>8 Q How many retail stores does LVLX have?</p> <p>9 A LVLX -- can you clarify that and specify</p> <p>10 exactly meaning --</p> <p>11 MR. JOHNS: Do you mean LVLX, Inc. or just</p> <p>12 LVLX generally?</p> <p>13 BY MS. WESTERVELT:</p> <p>14 Q I don't know there's a difference. Can you</p> <p>15 tell me what the difference is between LVLX, Inc. and</p> <p>16 LVLX generally?</p> <p>17 A Well, it's actually LVLX Inc. which is the</p> <p>18 corporation and LVLX is actually the trade name.</p> <p>19 Q Okay. So LVLX is the trade name for LVLX,</p> <p>20 Inc.?</p> <p>21 A Yes, Ma'am.</p> <p>22 Q Is the LVLX trade name used by any other</p>	19	<p>1 A Yes.</p> <p>2 Q And could you tell me what those entities</p> <p>3 are?</p> <p>4 A Yes, I can tell you. There is a</p> <p>5 corporation that is called Atlantis Store, LLC. And</p> <p>6 you're just -- could you repeat?</p> <p>7 Q Other than LVLX, Inc. what other companies'</p> <p>8 entities use the trade name LVLX that you're aware</p> <p>9 of?</p> <p>10 A When you mean also entities and</p> <p>11 corporations, do you mean trading as or doing</p> <p>12 business as because there are instances where it's</p> <p>13 not a TA or a DBA and I don't have the documents in</p> <p>14 front of me to clarify that for you.</p> <p>15 Q Just do the best you can from what you</p> <p>16 know.</p> <p>17 A That's what I know right now.</p> <p>18 Q Who owns the trade name, LVLX?</p> <p>19 A That would probably have to be myself. It</p> <p>20 is a trademark name. My family and LVLX, Inc.</p> <p>21 Q Did you file for a federal trademark</p> <p>22 registration for the name LVLX?</p>
18	<p>1 corporation, the trade name LVLX?</p> <p>2 A Yes, it is.</p> <p>3 Q What's the name of that corporation or</p> <p>4 corporations?</p> <p>5 A There are several but they're not --</p> <p>6 MR. JOHNS: The question is as to</p> <p>7 corporations.</p> <p>8 THE WITNESS: I don't think I can answer</p> <p>9 that properly because the problem with that is that I</p> <p>10 don't have the familiarity I guess with different --</p> <p>11 I don't know how you would define a corporation</p> <p>12 versus, you know, LLCs versus partnerships and I</p> <p>13 think that's something that I would have to speak to</p> <p>14 my attorney about.</p> <p>15 BY MS. WESTERVELT:</p> <p>16 Q Let me ask it a different way then. LVLX</p> <p>17 is a trade name used by LVLX, Inc.?</p> <p>18 A That is correct.</p> <p>19 Q And is LVLX trade name used by other</p> <p>20 entities, not specifically corporations or</p> <p>21 partnerships or LLCs or anything, by other entities</p> <p>22 other than LVLX, Inc.?</p>	20	<p>1 A I believe we did a couple of years ago.</p> <p>2 And I have -- yes.</p> <p>3 Q Do you recall who is listed as the owner in</p> <p>4 that registration?</p> <p>5 A Not right now I don't. I don't remember</p> <p>6 that.</p> <p>7 Q How long have you been associated with</p> <p>8 LVLX, Inc. as president?</p> <p>9 A Can you clarify that and specify the word</p> <p>10 associated?</p> <p>11 Q How long have you been president for LVLX,</p> <p>12 Inc.</p> <p>13 A Well, I'm not -- as I stated earlier I'm</p> <p>14 not the official, I am an acting president. And in</p> <p>15 that regard I would say five years.</p> <p>16 Q Do you know when LVLX was incorporated,</p> <p>17 LVLX, Inc.?</p> <p>18 A LVLX, Inc. was incorporated in -- I would</p> <p>19 have to really look at the documents and the</p> <p>20 corporate papers because I can't give you a specific</p> <p>21 time frame on that. I was still in high school.</p> <p>22 Q I asked a question earlier and I think we</p>

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19 (Pages 73 to 76)

73	<p>1 A 2002, roughly.</p> <p>2 Q Do you know a gentleman named Jeffrey Way?</p> <p>3 A Yes.</p> <p>4 Q And who is Mr. Way?</p> <p>5 A Mr. Way was or is an architect.</p> <p>6 Q Has Mr. Way ever performed any</p> <p>7 architectural services for you?</p> <p>8 MR. JOHNS: You mean personally?</p> <p>9 BY MS. WESTERVELT:</p> <p>10 Q Yes.</p> <p>11 A Architectural services in what sense of the</p> <p>12 word?</p> <p>13 Q Did Jeffrey Way ever perform any services</p> <p>14 for you?</p> <p>15 MR. JOHNS: For him individually?</p> <p>16 BY MS. WESTERVELT:</p> <p>17 Q For you or LVLX, Inc.</p> <p>18 MR. JOHNS: That's a compound question.</p> <p>19 BY MS. WESTERVELT:</p> <p>20 Q Did Mr. Jeffrey Way ever perform any</p> <p>21 services for LVLX, Inc.?</p> <p>22 A Did he perform any services?</p>	75	<p>1 the production of that check and we haven't received</p> <p>2 it.</p> <p>3 MR. JOHNS: We'll certainly provide it.</p> <p>4 That's no problem.</p> <p>5 BY MS. WESTERVELT:</p> <p>6 Q Do you recall when you first had any</p> <p>7 contact with Mr. Way, what time frame?</p> <p>8 A It was 2002.</p> <p>9 Q Did you first contact Mr. Way?</p> <p>10 A Yes.</p> <p>11 Q Did you have any written agreement with Mr.</p> <p>12 Way?</p> <p>13 A I did not have a written agreement with</p> <p>14 him, he had a written agreement with the company.</p> <p>15 MS. WESTERVELT: We also asked for</p> <p>16 production of that agreement, we don't have that.</p> <p>17 MR. JOHNS: I will provide it.</p> <p>18 BY MS. WESTERVELT:</p> <p>19 Q Did you ever have any meetings with Mr. Way</p> <p>20 in person?</p> <p>21 A Yes.</p> <p>22 Q Did you have phone calls with Mr. Way?</p>
74	<p>1 Q Yes.</p> <p>2 A He was hired as the architect for record</p> <p>3 for a project.</p> <p>4 Q Could you explain what architect for record</p> <p>5 means?</p> <p>6 A According to the standards in the county</p> <p>7 which we were advised from explained the architect</p> <p>8 for record as being a person who is the architect</p> <p>9 overseeing a project.</p> <p>10 Q And what project was that?</p> <p>11 A It was for Prince George's Plaza.</p> <p>12 Q Did you pay Mr. Jeffrey Way for these</p> <p>13 services?</p> <p>14 A Yes.</p> <p>15 MR. JOHNS: Just clarification, you or</p> <p>16 LVLX?</p> <p>17 THE WITNESS: Yes.</p> <p>18 BY MS. WESTERVELT:</p> <p>19 Q And how much did you -- how much did LVLX</p> <p>20 pay Mr. Way for these services, do you recall?</p> <p>21 A Roughly \$1200.</p> <p>22 MS. WESTERVELT: I believe we've asked for</p>	76	<p>1 A Yes.</p> <p>2 Q Did anyone take minutes of the in-person</p> <p>3 meetings or record notes of the phone call</p> <p>4 conversations?</p> <p>5 A No.</p> <p>6 Q I believe you testified that you paid Mr.</p> <p>7 Way roughly \$1200. How did you decide on that</p> <p>8 figure?</p> <p>9 A I think that was like a standard for the</p> <p>10 industry. No, that was my thought, he came up with</p> <p>11 that figure, or roughly that figure, and from his</p> <p>12 previous experience he mentioned that it was for an</p> <p>13 architect of record to either pay by the square</p> <p>14 footage that he has to oversee or just a straight</p> <p>15 flat fee for his initial services whatever the</p> <p>16 services may be.</p> <p>17 Q Has Mr. Way provided any other services to</p> <p>18 you or LVLX, Inc.?</p> <p>19 A No.</p> <p>20 Q You mentioned a few minutes ago Commercial</p> <p>21 Finish Group, who is Commercial Finish Group?</p> <p>22 A The construction company in charge of, or</p>

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<p style="text-align: right;">137</p> <p>1 MR. JOHNS: Okay.</p> <p>2 BY MS. WESTERVELT:</p> <p>3 Q Do you recognize these documents, Exhibits</p> <p>4 8, 9 and 10?</p> <p>5 A Yes, Ma'am.</p> <p>6 Q And what are they?</p> <p>7 A Exhibit 8 is the Hackley Zambito Architects</p> <p>8 bill, Exhibit 9 is Michael Hackley Architects</p> <p>9 Chartered bill, and Number 10 is also Michael Hackley</p> <p>10 Architects Chartered bill for different projects.</p> <p>11 Q When you say bill, what do you mean by</p> <p>12 bill?</p> <p>13 A I'm sorry, invoices. That's what it says.</p> <p>14 Q Where does it say invoices?</p> <p>15 A I'm sorry.</p> <p>16 MR. JOHNS: You need a break?</p> <p>17 THE WITNESS: Yes.</p> <p>18 MR. JOHNS: We need to take a break. When</p> <p>19 a -- when he's saying invoice, now when he said -- he</p> <p>20 just needs to take a break because -- why don't you</p> <p>21 take some water or something.</p> <p>22 (A recess was taken.)</p>	<p style="text-align: right;">139</p> <p>1 Q And according to this agreement are phase</p> <p>2 one and phase two described in this agreement?</p> <p>3 A Yes.</p> <p>4 Q Did you agree to pay Mr. Hackley \$9500 for</p> <p>5 the services described in phase one and phase two?</p> <p>6 A Yes.</p> <p>7 MR. JOHNS: Just for the record LVLX is the</p> <p>8 party I think. White Oak Fashion.</p> <p>9 BY MS. WESTERVELT:</p> <p>10 Q Phase three at the top of page two says</p> <p>11 phase three construction administration and then in</p> <p>12 parentheses optional if requested. You want to take</p> <p>13 a minute and look at the services listed there?</p> <p>14 A Okay.</p> <p>15 Q Did Mr. Hackley ever perform any of those</p> <p>16 services listed under phase three for you or for</p> <p>17 LVLX?</p> <p>18 A At this time?</p> <p>19 Q At any time. If you don't recall I have</p> <p>20 invoices I can show you to refresh your memory.</p> <p>21 A Yes.</p> <p>22 Q And under professional fee schedule for</p>
<p style="text-align: right;">138</p> <p>1 BY MS. WESTERVELT:</p> <p>2 Q Okay. Mr. Lee, looking at Exhibits 8, 9</p> <p>3 and 10 could you explain what these exhibits are?</p> <p>4 A These are the contracts that they provided</p> <p>5 me with for these projects and --</p> <p>6 Q That who provided you with?</p> <p>7 A Hackley and Zambito.</p> <p>8 Q I believe, as Mr. Johns said, there are</p> <p>9 four of these agreements. I only have the three</p> <p>10 here. Are these agreements similar?</p> <p>11 A Yes.</p> <p>12 Q So we can take any one that you want, the</p> <p>13 May 18, 2001 for Arundel Mills the copy seems to be</p> <p>14 clearer so if you want to use that one that's fine.</p> <p>15 So at the outset of the Arundel Mills project did</p> <p>16 Mr. Hackley produce this document for you?</p> <p>17 A Yes.</p> <p>18 Q And on page two under professional fee</p> <p>19 schedule there is a phase one and phase two with</p> <p>20 \$10,000 crossed out and \$9500 written in; is that</p> <p>21 correct?</p> <p>22 A Yes.</p>	<p style="text-align: right;">140</p> <p>1 phase three and additional services it's dated hourly</p> <p>2 at our standard rates if requested. And when</p> <p>3 Mr. Hackley performed any of these phase three</p> <p>4 services for you did he bill you hourly at his</p> <p>5 standard rates?</p> <p>6 A It depended on the service.</p> <p>7 Q Could you explain that please?</p> <p>8 A What he did outside of additional services</p> <p>9 were very minimal and very limited. It's only under</p> <p>10 my supervision if I accepted and that I wanted to</p> <p>11 continue doing an additional service of whatever</p> <p>12 service he may think is a service here then I would</p> <p>13 approve it, but beyond that there was just very</p> <p>14 nominal in terms of services.</p> <p>15 Q Turn to page three please.</p> <p>16 A Yes.</p> <p>17 Q And read underneath termination. You don't</p> <p>18 have to read it out loud, just read it to yourself.</p> <p>19 A Okay.</p> <p>20 Q Did you agree with that termination clause</p> <p>21 when this contract was signed?</p> <p>22 A I was not aware of it.</p>

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<p style="text-align: right;">141</p> <p>1 Q And this, by the way, for the record these 2 Exhibits 8, 9 and 10 were produced in Plaintiffs 3 Production of Documents. 4 MR. JOHNS: I think they were also produced 5 in defendants. 6 BY MS. WESTERVELT: 7 Q On Exhibit 10, the one we're talking about, 8 May 18, 2000, did Mr. Hackley present this, he calls 9 it a proposal for professional service, did he 10 present this proposal to you? 11 A For this project? 12 Q For this project. 13 A Yes. 14 Q Did you read it at the time, do you recall? 15 A I don't recall this from 2000 because it 16 was May 18th of 2000. 17 Q The next term under construction costs, 18 would you read that please, page three right under 19 termination. 20 A No fixed limit of construction cost has 21 been or will be established as a condition of this 22 agreement.</p>	<p style="text-align: right;">142</p> <p>1 your Answers to Interrogatories -- 2 MR. JOHNS: Which answer are you referring 3 to? 4 BY MS. WESTERVELT: 5 Q Answer Number 15. Mr. Hackley worked on 6 multiple stores for LVLX, correct? 7 A Yes. 8 Q Were any of those stores listed in response 9 to Interrogatory Number 15 worked on after the 10 Arundel Mills store, worked on by Mr. Hackley? 11 A Do you mean the stores that he drew plans 12 for? 13 Q Yes. 14 A After Arundel Mills? 15 Q Yes. 16 A That's, I believe that's in chronological 17 order. 18 Q Okay. So if this is chronological order 19 then after Arundel Mills there was Potomac Mills, 20 Perimeter Mall, Dolphin Mall, Stonecrest Mall, Mall 21 of Georgia, Tower City, Annapolis Mall, Tyson's 22 Corner, P.G. Plaza, correct?</p>
<p style="text-align: right;">142</p> <p>1 Q What does that clause mean to you? What 2 does that mean to you, that statement? 3 A It means he doesn't care, the architect 4 that gave me this proposal. 5 Q Doesn't care about what? 6 A Doesn't care about what the limitations of 7 costs are. 8 Q Did Mr. Hackley design the store at Arundel 9 Mills for you? 10 A Yes. 11 Q And the store was built from his drawings? 12 A Yes. 13 Q And the store opened? 14 A Yes. 15 Q And the store is still open? 16 A Yes. 17 Q Did you tell Mr. Hackley that you thought 18 that construction cost clause meant he didn't care? 19 A I don't recall. 20 Q This agreement was May 18th of 2000. You 21 may have had one more written agreement at least that 22 I've seen in discovery after this but according to</p>	<p style="text-align: right;">143</p> <p>1 A Correct. 2 Q And did you have written agreements with 3 Mr. Hackley for any of those stores? 4 A I don't recall. 5 Q With the stores that you did have written 6 agreements, these three that we have in front of us, 7 Mr. Hackley, when he gave you this proposal did you 8 respond to him -- how did that work, did you respond 9 to him to go ahead and start work upon reviewing his 10 proposal? 11 A No. He started work as soon as I sent him 12 a retainer on it. 13 Q For a time line wise would the retainer 14 have come before the proposal or after the proposal? 15 A It would come after. 16 Q So he would send you a written proposal and 17 then you would decide whether you were going to 18 accept it and then send him a retainer? 19 A Yes. 20 Q For those stores that you didn't have 21 written agreements for and he didn't have a proposal 22 that he sent you, what initiated you to send that</p>